

 Early Warning System

IFC-39020

VP Bank Quasi-equity



Quick Facts

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| Countries | Vietnam |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Approved |
| Bank Risk Rating | FI |
| Voting Date | 2017-03-09 |
| Borrower | Vietnam Prosperity Joint Stock Commercial Bank |
| Sectors | Finance |
| Ring Fence | Small & Medium Enterprises |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 57.00 million |
| Loan Amount (USD) | \$ 57.00 million |



Project Description

According to IFC website, the proposed project consists of a financing facility of up to US\$57 million to Vietnam Prosperity Commercial Joint Stock Bank in order to support VPBank in raising long-term funds for its lending program to micro and small, medium enterprises.

The Project will facilitate increase access to finance in Vietnam, which remains one the most common constraints to business expansion, according to the 2015 World Bank Enterprise Survey. In particular, the Project is expected to support SMEs in the country getting adequate financing. This will allow them to better cope with the investment and capital requirement needs imposed by accelerated economic growth.



Investment Description

- International Finance Corporation (IFC)

VPBank, previously known as Vietnam Joint Stock Commercial Bank for Private Enterprises, was set up in 1993. With a focus on retail and SME segments, the Bank was ranked 6th in term of total assets among private joint stock commercial banks in Vietnam in 2015. VPBank's shareholder structure consists of 3,470 individual investors, who own a shareholding of 41.2% in total, and 48 institutional local investors (58.8%).

The Project with VPBank involves a financing facility of up to US\$57 million. The Project will be financed by IFC and potentially by IFC Financial Institutions Growth Fund and IFC Emerging Asia Fund, both managed by IFC Assets Management Company, LLC ("AMC").

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Vietnam Prosperity Joint Stock Commercial Bank](#) (Financial Intermediary)
- [Vietnam Prosperity Joint Stock Commercial Bank](#) (Financial Intermediary) **is owned by VPBank** (Parent Company)



Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>